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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of

Implementation of the Local
Competition Provisions in the
Telecommunications Act of 1996

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CC Docket No. 96-98

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**JOINT COMMENTS OF
AMERICAN NETWORK EXCHANGE, INC.
AND U.S. LONG DISTANCE, INC.**

Danny E. Adams
Steven A. Augustino
KELLEY, DRYE & WARREN, LLP
1200 Nineteenth Street, N.W., Suite 500
Washington, D.C. 20036
202-955-9600

Their Attorneys

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SUMMARY

AMNEX and USLD are independent entities providing interexchange telecommunications services, including services convenient to users with occasional or "casual" calling needs, such as 0+ operator-assisted call completion, coin sent-paid services and 10XXX-1+ call services. As members of the Competitive Telecommunications Association ("CompTel"), AMNEX and USLD agree with the association that it is critically important for the Commission to act decisively to promote the development of telecommunications competition in all market segments. The Commission has a unique opportunity to break out of the regulatory distinctions of the past -- which are rapidly becoming meaningless -- and implement a new paradigm of full-service competition among entities heretofore operating in separate market segments.

Although AMNEX and USLD share CompTel's position concerning implementation of Sections 251 and 252 of the Act, they will not burden the Commission with a repetition of those arguments. Instead, AMNEX and USLD submit these comments to emphasize the effect of the 1996 Act on the casual calling environment and to identify the interconnection arrangements and unbundled network elements that must be made available to providers of these services.

Casual calling presents unique issues because the customer need not establish a prior relationship with the service provider before placing the call. As a result, the assurance that the provider will be able to bill and collect for the call is a prerequisite to the carrier's ability to offer casual calling service. Access to information sufficient to identify

the customer and verify the payment method offered, and access to billing and collection are critical in the casual calling environment.

AMNEX and USLD submit that Section 251 requires ILECs to offer unbundled access to the following network elements used in providing casual calling services:

- Databases used for signalling, call processing, call routing, and card or line number validation or screening (LIDB, AIN, number portability, local calling area, etc.).
- ILEC signalling systems and capabilities for all types of calls, including intraLATA calls and coin sent-paid calls. Signalling must be available both at the end office and at the tandem levels.
- ILEC calling card account information.
- Billing Name and Address (BNA) and account status information.
- ILEC billing and collection systems and functions.

Section 251 also requires that carriers receive interconnection useful in the provision of casual calling services. Joint Commenters urge the Commission to require ILECs to unbundle these elements and to offer meaningful access and interconnection to providers of casual calling services.

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**JOINT COMMENTS OF
AMERICAN NETWORK EXCHANGE, INC.
AND U.S. LONG DISTANCE, INC.**

American Network Exchange, Inc. ("AMNEX") and U.S. Long Distance, Inc. ("USLD"), by their attorneys, respectfully submit these joint comments in response to the Commission's Notice of Proposed Rulemaking ("Notice") in the above captioned proceeding.¹ AMNEX and USLD submit these comments to address the effect of Sections 251 and 252 of the Telecommunications Act of 1996 ("Act" or "1996 Act") on the provision of alternate billed or "casual" calling services.

I. INTRODUCTION AND STATEMENT OF INTEREST

AMNEX and USLD are providers of interexchange telecommunications services. AMNEX and USLD offer services convenient to users with occasional or "casual" calling needs, such as 0+ operator-assisted call completion, coin sent-paid services and 10XXX-1+ call services. AMNEX and USLD are not affiliated with each other in any way,

¹ FCC 96-182 (rel. Apr. 19, 1996).

however. They submit these joint comments as a result of their common interest in ensuring that interconnection and nondiscriminatory access to network elements are made available for use in the casual calling environment.

AMNEX and USLD also are members of the Competitive Telecommunications Association ("CompTel"), a nationwide industry association representing providers of competitive telecommunications services. As members of CompTel, AMNEX and USLD strongly support the comments the association is filing today. Like CompTel, AMNEX and USLD believe it is critically important for the Commission to act decisively to promote the development of telecommunications competition in all market segments. In particular, AMNEX and USLD share CompTel's view that Sections 251(c)(2) and 251(c)(3) in combination permit interexchange providers to interconnect to the ILEC's network and to purchase access to such facilities, including facilities that may be used for originating or terminating toll calls, as are needed to provide any telecommunications service they wish to offer. The Commission has a unique opportunity to break out of the regulatory distinctions of the past -- which are rapidly becoming meaningless in any event -- and implement a new paradigm of full-service competition among entities heretofore operating in separate market segments.

Although AMNEX and USLD share CompTel's position concerning implementation of Sections 251 and 252 of the Act, they will not burden the Commission with a repetition of those arguments. Instead, AMNEX and USLD submit these comments to emphasize the effect of the 1996 Act on the casual calling environment and to identify the interconnection arrangements and unbundled network elements that must be made available to providers of these services.

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II. DESCRIPTION OF CASUAL CALLING SERVICES

The casual calling market serves those callers who wish to place telephone calls without first establishing a presubscription or other formal arrangement with the carrier completing the call. Casual calling services meet two primary needs of customers. First, they enable customers to place telephone calls from locations other than their homes or offices. Services meeting this need include traditional "operator-assisted" services such as calling card, collect, credit card, and third-number billed calls. These services also include the ability to complete "coin sent-paid" calls, where the customer inserts coins in a pay telephone in order to place a call. In addition, the casual calling market enables customers to access chosen service providers at their homes or businesses in order to place specific calls, without changing their presubscribed carrier for other types of calls. This primarily entails the customer dialing a carrier's 10XXX access code followed by 1 + the terminating telephone number.²

Because the customer need not establish a prior relationship with the service provider before placing the call, a key feature of this market is the provider's need to obtain, before agreeing to complete the call, adequate identification of the customer and verification of the payment method that will be used. As the Commission recognized over five years ago, nondiscriminatory access to this information at the time of call set-up is "a necessary

² Other access code methods, including 1-800, also are used in the casual calling environment.

prerequisite for the placement of interstate collect, third party and LEC card calls."³ The "practical realities" of casual calling are such that without a meaningful assurance that a call can be billed, carriers "are understandably reluctant" to provide their services to the public.⁴ In short, the ability to bill and collect for a call is an integral part of the casual calling services offered by providers such as AMNEX and USLD. As the Commission defines the interconnection and unbundling obligations of incumbent LECs ("ILECs"), it should ensure that billing and collection elements are available for providers of casual calling services.

III. SECTION 251(C)(3) REQUIRES THE UNBUNDLING OF NETWORK ELEMENTS USEFUL IN PROVIDING CASUAL CALLING SERVICES (¶¶ 74-91)

Section 251(c)(3) states that an ILEC has a duty to provide any requesting telecommunications carrier with nondiscriminatory access to "network elements" on an unbundled basis and at "any technically feasible point."⁵ A "network element" is defined as any "facility or equipment used in the provision of a telecommunications service."⁶ This definition explicitly includes all "features, functions and capabilities" provided by the equipment, including "information sufficient for billing and collection" of a

³ *Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards*, 7 FCC Rcd 3528, at ¶ 8 (1991) ("*Joint Use Card Order*").

⁴ *Id.* at ¶ 22.

⁵ 47 U.S.C. § 251(c)(3). An interconnection point should be deemed technically feasible if it is offered by any ILEC using substantially similar technology. Notice at ¶¶ 57, 87.

⁶ 47 U.S.C. § 153(45).

telecommunications service.⁷ In addition, access must be provided in such a way that a requesting carrier may combine the network elements with each other or with the carrier's own facilities or equipment "in order to provide such telecommunications service."⁸

AMNEX and USLD submit that this provision requires ILECs to offer unbundled access to the following network elements used in providing casual calling services:

- Databases used for signalling, call processing, call routing, and card or line number validation and screening.
- ILEC signalling systems and capabilities for all types of calls, including intraLATA calls and coin sent-paid calls.
- ILEC calling card account information.
- Billing Name and Address (BNA) and account status information.
- ILEC billing and collection systems and functions.

Each of these elements is described in more detail below.

Access to ILEC databases: The Act expressly includes "databases" in its definition of network elements that must be unbundled.⁹ The databases in question are numerous and diverse, but include, at a minimum, the Line Information Database (LIDB), Advanced Intelligent Network (AIN) databases, Local Number Portability databases, Local Calling Area databases, Number Assignment databases, and the SMS databases for toll-free numbers.

⁷ *Id.*

⁸ *Id.* § 251(c)(3).

⁹ *Id.* § 153(45).

In particular, access to LIDB is critical to the provision of casual calling services. LIDB contains information regarding whether a number is a valid working line, the telephone line type (payphones, correctional institutions, hospitals, etc.), call screening information (such as lines for which collect calls should not be accepted), and validation information for ILEC calling cards. Requesting carriers should continue to receive access to this information, but without the restrictions imposed in CC Docket 91-115.¹⁰ The 1996 Act requires access at "any technical feasible point" and in a manner that allows the requesting carrier to use the elements to provide any telecommunications service. Therefore, if a carrier requests access to LIDB on a bulk basis, the Act requires that such access be made available.¹¹ In addition, a carrier should have the option of obtaining access at a tandem location or any other location of its choosing.

Access to Signalling: Like access to databases, access to "signalling" is explicitly included in the definition of a network element.¹² Signalling, like databases, should be interpreted expansively, due to its fundamental importance to the provision of telecommunications services. As Senator Pressler remarked, "access to signalling and databases [is] important if you are going to compete and get into the market."¹³ The

¹⁰ See *Joint Use Card Order*, at ¶ 33 (declining to require bulk transfers of validation information).

¹¹ As an added protection to ensure the accuracy of validation information, ILECs should be required to purchase the receivable on any call for which a carrier relied on the ILEC's positive validation response in deciding to carry the call.

¹² 47 U.S.C. § 153(45).

¹³ 141 Cong. Rec. 8163 (Jun. 12, 1995).

Commission should require ILECs to make available, on an unbundled basis, all signalling capabilities that are feasible under current technology.

AMNEX and USLD would like to emphasize the importance of requiring unbundled access to signalling used in the coin sent-paid context. Two types of coin signalling -- Modified Operator Services Signalling ("MOSS") and Exchange Access Operator Services Signalling ("EAOSS") are feasible under present technology. Joint Commenters believe that both types of signalling should be made available pursuant to Section 251(c)(3), and that they should be made available at the access tandem, or any other feasible point *chosen by the requesting carrier*.¹⁴ Commission action to clarify an ILEC's obligations is critical because some ILECs are refusing to provide access to coin sent-paid signalling requested by carriers other than AT&T -- even though such signalling is tariffed -- and they are using the lack of a Commission rule requiring it as an excuse.

MOSS is the signalling capability currently supported by most LEC switches. However, carriers other than AT&T are able to utilize this signalling in only five of the seven RBOC regions. One RBOC will provide tandem trunking only with EAOSS signalling. The other will provide MOSS signalling at the tandem, but only if "spare" capacity or "extra" trunking are available, which it claims is not presently the case. Thus, MOSS interconnection is not effectively available except at an end office level. Moreover, AMNEX has requested MOSS signalling at the tandem from two independent ILECs, but has

¹⁴ The BOCs were required by the Modification of Final Judgment ("MFJ") to develop coin signalling at the tandem level. *United States v. Western Elec. Co.*, 739 F. Supp. 1, 13 (D.D.C. 1990) (RBOCs must "permit routing of sent-paid calls to all interexchange carriers through tandem connections"). The Act preserves this obligation through Section 251(g).

been unable to receive the access it requests, even though both ILECs have tariffed coin sent-paid signalling.

Even though, as shown below, MOSS signalling has several drawbacks, access is necessary at this time because it is the current industry standard for coin signalling. AMNEX and USLD believe the feasibility of providing MOSS at the tandem level is demonstrated by its deployment by five RBOCs.¹⁵ Therefore, the Commission should designate MOSS signalling as a network element, and require that access be provided at the tandem level.

MOSS signalling, although widely deployed, is less efficient than EAOSS signalling. Multiple trunk groups are needed to identify coin calls using MOSS signalling because it only provides seven-digit ANI information. By contrast, EAOSS signalling provides a ten-digit ANI, allowing carriers to deploy common trunks to receive coin calls. In a 1991 report to the MFJ Court, the United States Department of Justice noted the limitations of MOSS signalling, and concluded that EAOSS was technically feasible.¹⁶ Bell Atlantic agreed at that time that EAOSS was the "most economical and efficient way" to provide coin signalling.¹⁷ However, even though EAOSS signalling has been feasible since at least 1991, it is not widely available today because only one switch manufacturer to date has included the capability in its switch software. AMNEX and USLD believe that the

¹⁵ See Notice at ¶ 87.

¹⁶ Report of the United States Regarding Compliance by the Bell Operating Companies with the Court's Order Requiring Equal Access for Coin Calls from Public Telephones, Civ. Action No. 82-0192 HHG (D.D.C. Aug. 1, 1991).

¹⁷ See *id.* at 9 n.15.

capability is technologically feasible, and could be offered on an unbundled basis in LEC networks today if appropriate software modifications are made to ILEC switches. Joint Commenters urge the Commission to require this network element, in addition to MOSS signalling, be offered pursuant to Section 251(c)(3).

Access to ILEC Calling Cards: Validation for ILEC calling cards already is required for the BOCs, GTE, and all Tier 1 LECs.¹⁸ It is clear that under the Act, the account numbers (including the PIN) and the database in which they are stored are facilities or equipment used in the provision of telecommunications services. The ILECs themselves use these account numbers (and validation information associated with them) to provide operator-assisted services on a local and an intraLATA toll basis. In addition, due to the ubiquity of the ILEC calling cards today, a denial of access to ILEC calling cards would impair the ability of telecommunications carriers to provide operator-assisted casual calling services.¹⁹ Several years ago, calling card users experienced massive confusion and inconvenience when one carrier unilaterally replaced line-based 0+ cards commonly accepted by the industry as a whole. The Commission should not allow ILECs to repeat that disorder by withdrawing access to their calling cards.

Access to Billing Name and Address Information: The Act requires access to "information sufficient for billing and collection."²⁰ This includes, at a minimum,

¹⁸ *United States v. Western Elec. Co.*, 698 F. Supp. 348, 368-69 (D.D.C. 1988); *United States v. GTE Corp.*, 1988-2 Trade Cas. (CCH) ¶ 68,369 (D.D.C. Dec. 23, 1988); *Joint Use Card Order*, at ¶¶ 18-26.

¹⁹ *See* 47 U.S.C. § 251(d)(2)(B).

²⁰ 47 U.S.C. § 153(45).

Billing Name and Address ("BNA") information made available pursuant to CC Docket No. 91-115.²¹ However, access to BNA under Section 251(c)(3) is not limited to BNA associated with calling card, third party and collect calls, as the Commission has limited BNA disclosure in Docket 91-115.²² Section 251(c)(3) requires access to *any* network element, used in *any* telecommunications service, and for use by the requesting carrier to provide *any* telecommunications service.²³ This requires access to BNA for *all* types of calls, including (but not limited to) 10XXX-1+, calling card, third party, and collect calls. In addition, access to BNA includes access to information relating to changes in the information, such as forwarding addresses and name changes.

Access to Billing and Collection Systems and Functions: In addition to making the information necessary for billing available to requesting carriers, AMNEX and USLD submit that Section 251(c)(3) also requires ILECs to provide billing and collection on an unbundled basis. Clearly, the databases, software and systems used by the ILECs to bill their customers are "facilities or equipment," as are the functions and capabilities that these systems make possible. The Commission also has found that billing and collection, *when provided for a service the ILEC itself offers*, is itself "an incidental part of a communication

²¹ *Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards*, Second Report and Order, 8 FCC Rcd 4478 (1993).

²² *Policies and Rules Concerning Local Exchange Carrier Validation and Billing Information for Joint Use Calling Cards*, Third Order on Reconsideration, FCC 96-38, at ¶ 38 (rel. Feb. 9, 1996). For example, the Commission's order does not require BNA to be disclosed for 10XXX-1+ calls.

²³ The Commission may, however, prohibit the use of BNA for marketing purposes. Section 251(c)(3) requires network elements to be used in a "telecommunications service"; it does not give the requesting carrier *carte blanche* to use the element for any purpose whatsoever.

service."²⁴ Because they are incidental to ILEC services, billing and collection functions are "used in the provision of a telecommunications service," and therefore are "network elements" that must be made available under Section 251(c)(3).²⁵ Accordingly, requesting carriers such as AMNEX and USLD should be able to purchase access to those functions, and combine them with their own call processing and call handling services to provide casual calling services to the public. This obligation should apply even if the customer has changed local service providers, so long as the call was placed prior to the service provider change and the ILEC still has not sent its final bill to the customer. Joint Commenters, therefore, urge the Commission to order the ILECs to unbundle billing and collection functions and make them available to any requesting carrier.²⁶

IV. SECTION 251(C)(2) REQUIRES ILECS TO ALLOW CARRIERS TO INTERCONNECT TO THE ILEC NETWORK IN ORDER TO PROVIDE CASUAL CALLING SERVICES (¶¶ 53-63)

In addition to requiring the unbundling of access to the network elements described above, the Act also requires ILECs to provide interconnection with their networks

²⁴ *Detariffing of Billing and Collection Services*, 102 F.C.C.2d 1150, 1168 (1986) ("carrier billing and collection for a communication service that it offers individually or as a joint offering with other carriers is an incidental part of a communication service"); *see also Joint Use Card Order*, at ¶ 26 n.50 ("billing and collection is incidental to the transmission of wire communications and thus is properly considered a communications service").

²⁵ *See* 47 U.S.C. § 153(45).

²⁶ Of course, the BOCs also remain obligated to provide billing and collection on nondiscriminatory terms and conditions if they offer disconnect for nonpayment (DNP) to any carrier. *See United States v. AT&T*, 552 F. Supp. 131, 234 (D.D.C. 1982); 47 U.S.C. § 251(g).

to any requesting telecommunications carrier.²⁷ AMNEX and USLD agree with CompTel -- and many other parties -- that Section 251 allows carriers to interconnect for purposes of providing their own exchange access services. The Commission's tentative conclusion that Section 251(c)(2) distinguishes between the "receiving" of exchange access and the "offering" of such access to other carriers is untenable, as is the Commission's implicit distinction between local and toll services. The only interpretation of Section 251(c)(2) consistent with a full-service environment is that interconnection may be made for purposes of providing any telecommunications service envisioned by the requesting carrier.

It follows from this principle that carriers should be able to obtain interconnection pursuant to Section 251(c)(2) in order to provide casual calling services. In particular, carriers should be able to interconnect in order to provide access to LEC and independent pay telephones, aggregator telephones, and any other telephone at which casual calling may occur. Carriers also should be able to interconnect in order to provide coin sent-paid service, including coin signalling at any technically feasible point of interconnection chosen by the carrier. The terms and conditions for such interconnection should be negotiated between the ILEC and the requesting carrier, consistent with guidelines established by the Commission.

CONCLUSION

For the foregoing reasons, AMNEX and USLD urge the Commission to ensure that Sections 251 and 252 are implemented in a manner that allow the pro-competitive

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47 U.S.C. § 251(c)(2).

purposes of these sections to be realized in the casual calling market as well as other telecommunications markets. Telecommunications carriers should be able to receive unbundled access to network elements useful for the provision of casual calling services, including in particular the ability to bill and collect for such calls. In addition, the Commission should ensure that adequate interconnection opportunities are made available to providers of casual calling services.

Respectfully submitted,

**AMERICAN NETWORK EXCHANGE, INC. AND
U.S. LONG DISTANCE, INC.**

By  _____
Danny E. Adams

Steven A. Augustino

KELLEY, DRYE & WARREN, LLP

1200 Nineteenth Street, N.W., Suite 500

Washington, D.C. 20036

202-955-9600

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